GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:660
ANSWERED ON:28.07.2006
FDI INFLOW
Acharia Shri Basudeb

Will the Minister of FINANCE be pleased to state:

(a) the share of FDI in total capital inflows in India; and

(b) the steps taken by the Government to increase the same?

Answer

Minister of State in the Ministry of Finance (SHRI PAWAN KUMAR BANSAL)

(a) During the year 2005-06, Foreign Direct Investment including ADR/GDR was US $10303 million out of the total capital flow of US $ 27755 million constituting 37.12 percent.

(b) Government have undertaken a comprehensive review of Foreign Direct Investment Policy and associated procedures in February, 2006. As a result, a number of rationalisation measures have been undertaken which inter-alia include dispensing with the need of multiple approvals trom Government and/or regulatory agencies that exist in certain sectors, extending the automatic route to more sectors and allowing FDI in new sectors.